

ModernGraham Valuation

Company Name:

SLM Corp

Company Ticker SLM

Date of Analysis

7/18/2018



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$5,170,427,490	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
4. Earnings Growth		-14.00%	Fail
5. Moderate PEmg Ratio	PEmg < 20	16.70	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.00	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Fail
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	0.71
MG Growth Estimate	2.65%
MG Value	\$9.81
MG Value based on 3% Growth	\$10.31
MG Value based on 0% Growth	\$6.05
Market Implied Growth Rate	4.10%

MG Opinion

Current Price	\$11.88
% of Intrinsic Value	121.09%
Opinion	Overvalued
MG Grade	D

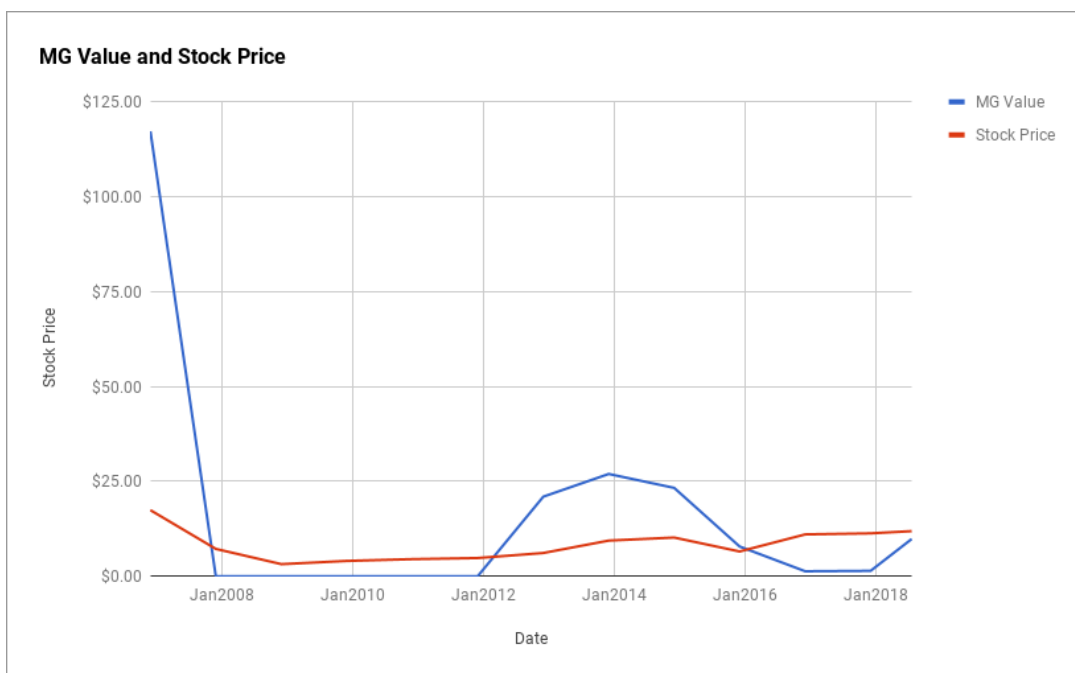
Stage 3: Information for Further Research

Graham Number	\$10.39
PEmg	16.70
PB Ratio	2.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.00	Next Fiscal Year Estimate	\$0.71
Dec2017	\$0.62	Dec2017	\$0.56
Dec2016	\$0.53	Dec2016	\$0.53
Dec2015	\$0.59	Dec2015	\$0.56
Dec2014	\$0.42	Dec2014	\$0.60
Dec2013	\$0.58	Dec2013	\$0.70
Dec2012	\$0.45	Dec2012	\$0.66
Dec2011	\$1.18	Dec2011	\$0.48
Dec2010	\$0.94	Dec2010	\$0.15
Dec2009	\$0.38	Dec2009	\$0.04
Dec2008	-\$0.69	Dec2008	\$0.37
Dec2007	-\$2.26	Dec2007	\$1.32
Dec2006	\$2.63	Dec2006	\$3.05
Dec2005	\$3.05	Dec2005	\$3.02
Dec2004	\$4.04	Dec2004	\$2.71
Dec2003	\$3.29	Dec2003	\$1.88
Dec2002	\$1.64	Dec2002	\$1.13
Dec2001	\$0.76	Balance Sheet Information 3/1/2018	
Dec2000	\$0.92	Long-Term Debt & Capital Lease Obligation	\$3,744,345,000
Dec1999	\$1.02	Total Assets	\$23,406,322,000
Dec1998	\$0.98	Intangible Assets	\$0
		Total Liabilities	\$20,796,489,000
		Shares Outstanding (Diluted Average)	438,977,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [SLM Corp Valuation – December 2016 \\$SLM](#)
- [SLM Corporation Analysis – August 2015 Update \\$SLM](#)
- [5 Low PE Stocks for the Enterprising Investor – July 2015](#)
- [5 Most Undervalued Companies for the Enterprising Investor – July 2015](#)
- [5 Most Undervalued Companies for the Enterprising Investor – June 2015](#)

Other ModernGraham posts about related companies

- [Main Street Capital Corp Valuation – July 2018 \\$MAIN](#)
- [Legg Mason Inc Valuation – June 2018 \\$LM](#)
- [T. Rowe Price Group Inc Valuation – June 2018 \\$TROW](#)
- [Moody's Corporation – June 2018 \\$MCO](#)
- [Charles Schwab Corp Valuation – June 2018 \\$SCHW](#)
- [Willis Towers Watson PLC Valuation – Initial Coverage June 2018 \\$WLTW](#)
- [PayPal Holdings Inc Valuation – June 2018 \\$PYPL](#)
- [Synchrony Financial Valuation – June 2018 \\$SYF](#)
- [CBRE Group Inc Valuation – June 2018 \\$CBRE](#)
- [Franklin Resources Inc Valuation – May 2018 \\$BEN](#)